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IN THE

Supreme Court of the United States

October Term, 1962

No. 558

AERONAUTICAL COMMUNICATIONS EQUIPMENT, INC.,
Petitioner,

v.

HELEN RUSSELL PIERCE, Executrix of the Last Will and Testament of GEORGE WASHINGTON PIERCE, Deceased,
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

WALTER H. FREE
Attorney for Petitioner
90 Broad Street
New York 4, New York

BRUMBAUGH, FREE, GRAVES & DONOHUE
JOHN F. NEARY, JR.
FRANK W. FORD, JR.
90 Broad Street
New York 4, New York

SYDNEY L. WEINTRAUB
Security Trust Building
Miami 32, Florida

Of Counsel for Petitioner

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To the Honorable Chief Justice and Associate Justices of the Supreme Court of the United States:

Your Petitioner, Aeronautical Communications Equipment, Inc., respectfully prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Fifth Circuit entered on September 6, 1962, in the above entitled action, a patent case. A certified transcript of the record and proceedings below is furnished herewith.

Opinions Below

The opinion of the Court of Appeals for the Fifth Circuit is reported unofficially at 134 U. S. P. Q. 533 and not yet reported officially. (Copies of the Opinion and Judgment herewith as Appendix A.)

The judgment of patent invalidity of the District Court was reversed by the Court of Appeals for the Fifth Circuit. The opinions (2) of the District Court (S. D. Fla., 1961, Judge Gourley of the W. D. of Pa., specially assigned) are reported at 198 F. Supp. 269. (Copy herewith as Appendix B.)

An earlier District Court judgment (not reported but copy herewith as Appendix C), held the patents invalid (S. D. Fla. Miami Div., No. 5638-M-Civil, 1957, Judge Choate).

A further decision of the Court of Appeals for the Fifth Circuit reversing the judgment of patent invalidity by Judge Choate is reported at 255 F. 2d 458 (Copy herewith as Appendix D).

The judgment of the Fifth Circuit Court of Appeals, of which review is here sought, is in *direct conflict* with the following decisions and judgments holding the patents invalid:

American Communications Co., Inc. v. *Pierce*, 208 F. 2d 763 (1st Cir., 1953), cert. denied, 347 U. S. 944 (1954), rehearing denied, 347 U. S. 970 (1954). Copy herewith as Appendix E.

Pierce v. *Hewlett-Packard Co.*, 220 F. 2d 531 (1st Cir., 1955), cert. denied, 350 U. S. 833 (1955), rehearing denied, 350 U. S. 897 (1955). Copy herewith as Appendix F.

Pierce v. *American Communications Company, Inc. and Mackay Radio and Telegraph Company, Inc.*, 280 F. 2d 278 (1st Cir., 1960); cert. denied, 364 U. S. 902 (1960). Copy herewith as Appendix G.

Pierce v. *Allen B. Du Mont Laboratories, Inc.*, 297 F. 2d 323 (3rd Cir., 1961), cert. denied, 31 U. S. L. Week 3112 (Oct. 9, 1962) (No. 138). Copy herewith as Appendix H.

Jurisdiction

The jurisdiction of this Court is founded on 28 U. S. C. §1254(1).

The jurisdiction of the District Court was founded on 28 U. S. C. §1338.

Questions Presented

1. Where a defendant in a patent infringement suit uses the specific combination of an expired patent not in suit, may a Court properly deprive the defendant and the public of the free use of the subject matter of the expired combination patent and extend the monopoly of such expired patent by holding valid later patents issued to the same patentee for the essential part of the specific combination of the expired patent?

2. Is it contrary to public policy, as stated by this Court, for a Court of Appeals to hold patents valid without considering anticipating prior art?

Statutes Involved

The pertinent statutes are the Patent Act of 1952 and its predecessor the Patent Laws of the United States as compiled, revised and published by the Congress in 1946, and supplemented in 1947, as Title 35 U. S. C., under the exclusive authority granted the Congress by the Constitution (Article 1, Section 8).

Statement of the Case

As to Question 1

On January 20, 1931, Pierce was granted Patent No. 1,789,496 (hereinafter '496) for a combination. Seven years later, on October 18, 1938, Patents numbered 2,133,642 (hereinafter '642) and 2,133,646 (hereinafter '646) were issued to Pierce for the essential part of the combination. All three patents were based on the same parent application. Printed copies of patents '496, '642 and '646 are furnished herewith as Appendices I, J and K, respectively.

The '496 combination patent described and claimed a radio transmitting and receiving system which differed from the transmitting and receiving systems of the then prior art only by reason of the inclusion in the transmitter and the receiver of an allegedly novel crystal oscillator for the generation of radio waves of constant frequency.

The '642 patent was granted seven years later than '496, as the result of Pierce's conscious and voluntary actions in the Patent Office. It described and claimed *per se* the identical crystal oscillator which had constituted the sole and essential point of novelty in the earlier '496 combination patent.

The '646 patent also issued seven years later than '496 and described and claimed the identical crystal oscillator operating in conjunction with a prior art circuit which selects a harmonic of the natural period of vibration of the crystal and thus raises the frequency of the generated radio waves, all as described in the earlier '496 combination patent.

The present suit was started more than the statutory six year limitation after the expiration of the '496 combination patent, which accordingly is not in suit. Petitioner's apparatus charged to infringe the '642 and '646 patents in suit is the precise apparatus described and claimed in the expired '496 combination patent, as has been admitted by Respondent.†

The two decisions of the District Court herein held that that '642 and '646 patents in suit are void for double patenting over the earlier issued and expired combination '496 patent. The Court of Appeals for the Fifth Circuit reversed, holding the '642 and '646 patents valid, thus establishing a direct and irreconcilable conflict between the decision here under review and the earlier decision in the First Circuit which held the same '642 and '646 patents invalid and the earlier decision in the Third Circuit which held '642 invalid.

In its opinion reversing the District Court's judgment of patent invalidity, the Court of Appeals for the Fifth Circuit succinctly stated the primary issue as follows: (p. 2 of Appendix A)

> "The issue can be posed as a question: If an inventor obtains a COMBINATION patent in the area of radio communication, which COMBINATION consists of a transmit-

† See item 7, page 61, transcript of record below.

> ting and receiving system, each of which, that is, both the transmitting part and the receiving part, includes an ELEMENT known as an 'oscillator,' and the same inventor obtains a separate patent, applied for at the same time but issued some seven years later, on the oscillator itself, is the patent on the oscillator void for double patenting *if it be assumed that its inclusion in each [of] the transmitting and receiving parts of the combination patent was the essential element without which the combination patent would not have issued?*" (parenthetical insert and italics added)

The Court of Appeals answered its own question as follows: (pages 11 & 13 of Appendix A)

> "So here, *since the Pierce oscillator is not claimed as the invention, it is not 'protected by the patent monopoly' in the combination patent. This being true, the patent subsequently issued on the oscillator cannot be held to be void for 'double' patenting because it has* ***never been patented before.*** (italics added)
>
> * * *
>
> "Having concluded that the trial court erred in holding that the thirteen claims of 2,133,642, and the five claims of 2,133,646 were void or invalid for double patenting, was error, [sic] we now decide that, the said defenses having failed, the said claims of the two patents are valid."

The existence of the conflict between the Circuit Court of Appeals for the Fifth Circuit and the Courts of Appeal for the First and Third Circuits is made manifest from the opinions of those latter courts. Thus, in *Pierce* v. *American Communications Company, Inc., et al.*, 280 F. 2d 278, the Court of Appeals for the First Circuit stated (pp. 281-282, 283):

"Nevertheless in the Hewlett-Packard case at pages 532 and 533 of 220 F. 2d we said: 'The plaintiff received patent No. 1,789,496 only because of his contribution of a device which stabilized the frequency of oscillations of an electric circuit. Without this device the patent would not have been granted. The plaintiff cannot extract this essential element and make it the subject of a subsequent patent.' That is to say, we considered the nub and heart of Pierce's expired patent to be his oscillator; meaning by that, his piezoelectric crystal in a single vacuum tube circuit, and that no separate inventive concept was involved in using two of his oscillators in combination, one in a transmitting and the other in a receiving system. Moreover, in both of the above cases we held that on the issue of double patenting it was of no consequence that the later issued patent was the basic one and that the earlier patent issued on a divisional application perhaps erroneously required by the Patent Office. At page 769 of 208 F. 2d we said:

> " 'With respect to combined transmitting and receiving systems utilizing the Pierce oscillator, * * * the plaintiff has suffered no hardship because of the delayed issuance of his basic patent No. 2,133,642. The plaintiff by means of patent No. 1,789,496 has already received the full seventeen years protection granted him by law on such systems. We cannot now extend that monopoly under the mantle of patent No. 2,133,642.'
>
> * * *

"Much the same may be said of the two remaining patents in this group. Patent No. 2,133,646 covers the Pierce oscillator coupled to a harmonic selector or frequency multiplier circuit. * * *

"It is clear that the only novelty disclosed in the claims of this patent is the Pierce oscillator. Indeed, the cir-

cuit covered in this patent is identical with a circuit described and shown in Fig. 2 of Pierce's expired patent. We therefore conclude that the patent is void for double patenting over the 1,789,496 patent."

The Court of Appeals for the Third Circuit in *Pierce* v. *Allen B. Du Mont Laboratories, Inc.*, 297 F. 2d 323, stated (pp. 326, 328, 329):

"We come now to the merits of the controversy. Was the trial court correct in ruling patent '642 invalid for double patenting over the patentee's earlier '496?

• • •

"Similarly, in the *present* case the Pierce oscillator is the only new and inventive feature of the combination patent '496. Moreover, the Pierce oscillator performs no different function and achieves no significantly different result in this combination than when used in any other circuit. Thus, invention inheres not in any unusual characteristic or result of the particular combination, but merely in the normal functioning of a novel component. Yet, patent '642 was issued thereafter for this very component in its general adaptation to its normal role. The controlling doctrine, elaborated in the excerpt we have quoted from the American Communications case is stated more tersely in Palmer Pneumatic Tire Co. v. Lozier, supra: 'One cannot extract an essential element of his invention from a former patent, without which the former patent would not have been granted, and make it the subject of a subsequent patent.' 90 F. at 744.†

• • •

"Here, the inventor, by merely paying his final fee could have obtained his generic patent more than a

† C. C. A. 6 (1898)

year before he actually obtained the narrower patent '496. He made a considered election to postpone his acquisition of the broader monopoly until he was sure that its exploitation would not be hampered by conflicting claims of a rival inventor. Yet, somewhat later, when the divisional application, which certainly was no less embarrassed than the generic one by the Miller claims, won patent office approval he paid his final fee promptly and accepted the patent. This, therefore, is not a case where administrative action prevented the inventor from having his more comprehensive application patented first, but rather where the choice has been the inventor's, dictated by his own judgment of possible economic advantage. We think these circumstances are not such as to justify an exception to the general rule and policy against double patenting. Cf. Miller v. Eagle Mfg. Co., supra."

As to Question 2

The District Court decisions below held the '642 and '646 patents invalid on the ground of extension of the patent monopoly by reason of double patenting, and hence the reversal of the Court of Appeals for the Fifth Circuit is based on that issue alone. Thus the Courts below did not consider the equally serious question of inventorship of the crystal oscillator of the '642 and '646 patents, and accordingly failed to follow the admonition of this Court to inquire "fully into the validity of this patent". *Sinclair Co.* v. *Interchemical Corp.*, 325 U. S. 327, 330 (1945).

With respect to inventorship, Professor Walter G. Cady, a pioneer in controlling the frequency of an oscillator by means of a crystal, obtained the basic crystal oscillator patent No. 1,472,583* in 1923 before Pierce in 1924 filed

* Copy furnished herewith as Appendix L.

the patent application which resulted in the issuance of the '642 and '646 patents. The Cady patent taught the art in clear terms that a crystal could be used to control precisely the frequency of an oscillator. Pierce appropriated Cady's concept and claimed it in the later '642 patent.

Pierce also claimed as his invention in '646 the use of a crystal oscillator with a harmonic selector, well known to the art as disclosed in Schelleng patent No. 1,545,607* and also in '496. It did not involve invention in 1924 for Pierce to substitute for the oscillator of Schelleng any desired oscillator such as Cady's crystal oscillator. Pierce therefore was attempting in the '646 patent, as well as in the '642 patent, to reach back and retrieve from the public what became dedicated to the public on the expiration in 1948 of Pierce's '496 combination patent.

Reasons for Granting the Writ

As a result of the conflict between the Court of Appeals for the Fifth Circuit and the Courts of Appeal for the First and Third Circuits, the '642 and '646 patents are invalid in one part and valid in another part of the United States. The resulting uncertainty directly affects Petitioner, which is subject to the danger of being held liable for the manufacture and sale in Florida of the subject matter of the expired '496 combination patent not in suit. The public, the courts and the Patent Office should be informed by this Court when the invention of an expired combination patent is free for use without interference of such use by the same patentee to whom a later patent was improvidently issued for the essential part of the expired combination patent.

* Copy furnished herewith as Appendix M.

This uncertainty is not otherwise resolvable since the facts in this case and those considered by the Courts of Appeal for the First and Third Circuits are identical and were stipulated herein. Accordingly, the doubt as to the rights of the public under the Patent Laws as interpreted on the same issues in *Miller v. Eagle Mfg. Co.*, 151 U. S. 186, 187-203 (1894), *Scott Paper Co. v. Marcalus*, 326 U. S. 249, 255, 256 (1945), *Sinclair Co. v. International Corp.*, 325 U. S. 327, 330 (1945), and *Palmer Pneumatic Tire Co. v. Lesher*, 90 Fed. 732, 744 (6th Cir., 1898), remains to be resolved by this Court.

WHEREFORE, your Petitioner prays that a writ of certiorari issue to the Court of Appeals for the Fifth Circuit to the end that this cause may be reviewed and determined by this Court; that the judgment of the Court of Appeals for the Fifth Circuit be reversed; and that your Petitioner be granted such other and further relief in the premises as may be just and proper.

Respectfully submitted,

WALTER H. FREE
Attorney for Petitioner
90 Broad Street
New York 4, New York

BRUMBAUGH, FREE, GRAVES & DONOHUE
JOHN F. NEARY, JR.
FRANK W. FORD, JR.
90 Broad Street
New York 4, New York

SYDNEY L. WEINSTRAUB
Security Trust Building
Miami 32, Florida

Of Counsel for Petitioner